

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GOLDEN RESOURCES DEVELOPMENT INTERNATIONAL LIMITED

金源米業國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 677)

2015/2016 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2015

SUMMARY OF INTERIM RESULTS

The Directors of Golden Resources Development International Limited (the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30th September,	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
REVENUE	3	490,159	499,244
Cost of sales		(340,244)	(343,313)
GROSS PROFIT		149,915	155,931
Net unrealized (loss)/gain on financial assets at fair value through profit or loss		(33,342)	6,081
Net other (loss)/income	4	(22,311)	21,710
Selling and distribution costs		(52,341)	(40,080)
Administrative expenses		(76,541)	(76,972)
Write-back of impairment loss on loan receivable		18,541	—
(LOSS)/PROFIT FROM OPERATIONS	3	(16,079)	66,670
Finance costs		(60)	(57)
Share of results of associates		3,665	(1,365)
Gain on disposal of an associate classified as asset held for sale		—	35,350
(LOSS)/PROFIT BEFORE TAXATION	5	(12,474)	100,598
Taxation	6	(8,381)	(10,693)
(LOSS)/PROFIT FOR THE PERIOD		(20,855)	89,905
(Loss)/profit attributable to:			
Shareholders of the Company		(20,597)	89,901
Non-controlling interests		(258)	4
		(20,855)	89,905
(LOSS)/EARNINGS PER SHARE	8		
— Basic		HK(1.2) cents	HK5.3 cents
— Diluted		HK(1.2) cents	HK5.3 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September,	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
(LOSS)/PROFIT FOR THE PERIOD	(20,855)	89,905
OTHER COMPREHENSIVE (LOSS)/INCOME		
Items to be reclassified to profit or loss in subsequent periods:		
Deficit on revaluation of available-for-sale investments	(183)	(142)
Exchange differences on translation of foreign operations	(3,874)	530
Share of other comprehensive (loss)/income of associates	(9,243)	1,342
Other comprehensive (loss)/income for the period, net of tax	(13,300)	1,730
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(34,155)	91,635
Total comprehensive (loss)/income attributable to:		
Shareholders of the Company	(33,371)	91,478
Non-controlling interests	(784)	157
	(34,155)	91,635

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30th September, 2015 (Unaudited) HK\$'000	31st March, 2015 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		98,992	94,972
Investment properties		82,940	82,940
Intangible asset		24,603	25,303
Interests in associates		144,158	153,025
Available-for-sale investments		31,470	31,653
Prepaid lease payments		16,428	16,781
		398,591	404,674
CURRENT ASSETS			
Inventories		146,142	160,526
Trade debtors	9	98,186	96,304
Other debtors, deposits and prepayments		62,562	52,537
Available-for-sale investments		53,724	83,021
Financial assets at fair value through profit or loss		423,750	453,660
Cash and cash equivalents		209,595	177,813
		993,959	1,023,861
CURRENT LIABILITIES			
Trade creditors	10	25,841	16,890
Other creditors and accruals		28,154	28,068
Bank loans		7,751	7,755
Derivative financial instruments		2,036	—
Tax liabilities		30,183	24,134
		93,965	76,847
NET CURRENT ASSETS		899,994	947,014
TOTAL ASSETS LESS CURRENT LIABILITIES		1,298,585	1,351,688
NON-CURRENT LIABILITIES			
Deferred tax liabilities		2,131	1,864
		1,296,454	1,349,824
CAPITAL AND RESERVES			
Share capital		169,441	169,141
Reserves		1,109,001	1,161,832
Shareholders' equity		1,278,442	1,330,973
Non-controlling interests		18,012	18,851
		1,296,454	1,349,824

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th September, 2015

1. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“the HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties, available-for-sale investments and financial assets at fair value through profit or loss which are measured at fair values, as appropriate.

In the current period, the Group has adopted the following amendments (the “new HKFRSs”) issued by the HKICPA, which are or have become effective for the Group’s financial year beginning on 1st April, 2015:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

The adoption of these new HKFRSs has had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

3. SEGMENT INFORMATION

An analysis of the Group's segment information by operating segments is as follows:

Operating segments

Statement of profit or loss for the six months ended 30th September, 2015

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Convenience store operation HK\$'000	Corporate and others HK\$'000	Total HK\$'000	Inter- segment elimination HK\$'000	Consolidated HK\$'000
REVENUE								
External sales	403,674	—	1,244	83,403	1,838	490,159	—	490,159
Inter-segment sales	5	—	—	—	—	5	(5)	—
Total sales	403,679	—	1,244	83,403	1,838	490,164	(5)	490,159
RESULT								
Segment results	48,134	(59,135)	181	(23,348)	18,089			(16,079)
Finance costs								(60)
Share of results of associates	8	—	320	—	3,337			3,665
Loss before taxation								(12,474)
Taxation								(8,381)
Loss for the period								(20,855)
Loss attributable to:								
Shareholders of the Company								(20,597)
Non-controlling interests								(258)
								(20,855)

Segment assets and liabilities as at 30th September, 2015

	Rice operation HK\$'000	Securities investment HK\$'000	Property investment HK\$'000	Convenience store operation HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
ASSETS						
Segment assets	288,745	480,966	155,638	90,701	232,342	1,248,392
Interests in associates	10,468	—	82,867	—	50,823	144,158
Consolidated total assets						1,392,550
LIABILITIES						
Segment liabilities	27,619	2,038	565	21,991	3,818	56,031
Unallocated corporate liabilities						40,065
Consolidated total liabilities						96,096

Statement of profit or loss for the six months ended 30th September, 2014

	Rice operation HK\$ '000	Securities investment HK\$ '000	Property investment HK\$ '000	Convenience store operation HK\$ '000	Corporate and others HK\$ '000	Total HK\$ '000	Inter- segment elimination HK\$ '000	Consolidated HK\$ '000
REVENUE								
External sales	437,333	—	1,269	50,645	9,997	499,244	—	499,244
Inter-segment sales	65	—	—	—	—	65	(65)	—
Total sales	437,398	—	1,269	50,645	9,997	499,309	(65)	499,244
RESULT								
Segment results	59,421	23,802	228	(16,907)	126			66,670
Finance costs								(57)
Share of results of associates	(78)	—	546	—	(1,833)			(1,365)
Gain on disposal of an associate classified as asset held for sale	—	—	—	—	35,350			35,350
Profit before taxation								100,598
Taxation								(10,693)
Profit for the period								89,905
Profit attributable to:								
Shareholders of the Company								89,901
Non-controlling interests								4
								89,905

Segment assets and liabilities as at 31st March, 2015

	Rice operation HK\$ '000	Securities investment HK\$ '000	Property investment HK\$ '000	Convenience store operation HK\$ '000	Corporate and others HK\$ '000	Consolidated HK\$ '000
ASSETS						
Segment assets	293,703	543,379	156,387	81,092	200,949	1,275,510
Interests in associates	13,576	—	90,594	—	48,855	153,025
Consolidated total assets						1,428,535
LIABILITIES						
Segment liabilities	26,386	2	619	14,975	2,976	44,958
Unallocated corporate liabilities						33,753
Consolidated total liabilities						78,711

Geographical segments

The Group's operations are located in Hong Kong, elsewhere in the PRC, Vietnam and other regions.

The following table provides an analysis of the Group's sales by location of markets, irrespective of the origin of the goods/services:

	Revenue by geographical markets	
	For the six months ended	
	30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Hong Kong	364,983	401,072
Elsewhere in the PRC	35,101	40,198
Vietnam	83,403	50,645
Others	6,672	7,329
	490,159	499,244

4. NET OTHER (LOSS)/INCOME

	For the six months ended	
	30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income on:		
— Financial assets at fair value through profit or loss	3,547	5,552
— Financial assets not designated as at fair value through profit or loss	1,644	4,586
	5,191	10,138
Dividend from:		
— Listed available-for-sale investments	100	106
— Listed financial assets at fair value through profit or loss	2,560	2,706
	2,660	2,812
Net realized gain on disposals of financial assets at fair value through profit or loss	291	1,632
Net realized (loss)/gain on derivative financial instruments	(29,065)	5,655
Net unrealized loss on derivative financial instruments	(2,036)	—
Net foreign exchange loss	(2,961)	(519)
Net gain on disposal of property, plant and equipment	223	257
Sundry income	3,386	1,735
	(22,311)	21,710

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	For the six months ended 30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation and amortisation of property, plant and equipment	8,936	7,399
Amortisation of prepaid lease payments	266	267
Amortisation of intangible asset	700	700
Interests on bank loans wholly repayable within five years	60	57

6. TAXATION

	For the six months ended 30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	7,687	10,007
Other regions in the PRC	42	225
	7,729	10,232
Underprovision/(overprovision) in prior years:		
Hong Kong	506	—
Other regions in the PRC	(121)	539
	385	539
Deferred tax	267	(78)
Taxation attributable to the Company and its subsidiaries	8,381	10,693

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. DIVIDEND

- (a) Dividend attributable to the interim period:

	For the six months ended 30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of HK1.2 cents per share on 1,694,406,458 shares (2014: HK1.2 cents per share on 1,686,906,458 shares)	20,333	20,243

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end date.

- (b) Dividend attributable to the previous financial year, approved and paid during the interim period:

	For the six months ended 30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK1.2 cents per share on 1,694,406,458 shares (2014: HK1.2 cents per share on 1,686,906,458 shares)	20,333	20,243

8. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the shareholders of the Company is based on the following data:

	For the six months ended 30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/earnings for the purpose of basic and diluted		
(loss)/earnings per share	(20,597)	89,901
<hr/>		
	For the six months ended 30th September,	
	2015	2014
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of shares for the purpose of		
basic (loss)/earnings per share	1,693,860,010	1,686,906,458
Effect of dilutive potential ordinary shares:		
Share options	—	778,382
<hr/>		
Weighted average number of shares for the purpose of		
diluted (loss)/earnings per share	1,693,860,010	1,687,684,840

The basic loss per share and diluted loss per share are the same for the period ended 30th September, 2015. The effect of any incremental shares from the assumed exercise of the Company's share options outstanding as at 30th September, 2015 would be anti-dilutive and was not included in the calculation of diluted loss per share.

Diluted earnings per share for last period ended 30th September, 2014 was calculated by adjusting the weighted average number of ordinary shares to assume conversion of all dilutive potential ordinary shares. There was no significant dilutive effect for last period.

9. TRADE DEBTORS

The Group allows an average credit period of 30-60 days to its trade customers. The following is an aging analysis of trade debtors at the end of the reporting period according to the delivery date:

	30th September, 2015 (Unaudited) HK\$'000	31st March, 2015 (Audited) HK\$'000
Within 30 days	53,523	50,834
31-60 days	29,083	29,870
61-90 days	11,949	11,245
Over 90 days	3,631	4,355
	98,186	96,304

The Directors consider that the carrying amounts of trade debtors approximate their fair values.

As at 30th September, 2015, trade debtors over 90 days amounted to HK\$3,631,000 (31st March, 2015: HK\$4,355,000) were past due but not impaired as the balances were related to debtors with sound repayment history and no recent history of default.

10. TRADE CREDITORS

The following is an aging analysis of trade creditors at the end of the reporting period:

	30th September, 2015 (Unaudited) HK\$'000	31st March, 2015 (Audited) HK\$'000
Within 30 days	20,785	15,059
31-60 days	4,813	1,811
61-90 days	111	1
Over 90 days	132	19
	25,841	16,890

The Directors consider that the carrying amounts of trade creditors approximate their fair values.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash balance of approximately HK\$209 million and outstanding bank loans amounted to approximately HK\$7 million as at 30th September, 2015. With cash and other current assets of approximately HK\$993 million as at 30th September, 2015 as well as available banking facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

BUSINESS REVIEW AND PROSPECTS

In Hong Kong, the rice market remains challenging. Severe competition amongst major players continues to subsist. To maintain our leading position in the rice industry, we have been relentlessly upgrading our products and services to create value for our customers. Effective marketing initiatives are launched to promote the products and deepen market penetration, widening our customer base. The labour and manufacturing costs continue to rise but at a slower pace, where the Group's profit margin is inevitably affected. To counter these challenges, we have implemented stringent cost control and invested in automation processes to reduce operating costs, while strengthening and improving the production process to enhance efficiency, ensuring our competitive advantage. With the above developments, we believe that our core business will be able to further improve and to sustain a healthy business growth.

In Vietnam, our Circle K convenience store business is progressing as anticipated. We remain focus on the store network expansion in order to secure a market dominance position, and to expedite the reach of the critical mass. Apart from Ho Chi Minh City, we have opened new stores in Hanoi, the Capital City of Vietnam, since April this year. Further expansions into other key cities are also in the plan. Store formats are constantly uplifted to pursue excellent customer service. We have been widening the product spectrum through global procurement and aggressive merchandising plans. The Hot-Food-Eat-In service counters are further developed and expanded, which help drive customers into our stores, and enhance customer traffic and spending. We have also developed a customer-loyalty and reward program to retain existing customers and to attract new ones. Our 4Fs (Fresh, Friendly, Fast and Full) customer service commitment is emphasized to drive customer service excellence and to develop a customer-centric culture. Proactive online marketing in the social media platforms is initiated to appeal to social media group, reaching out to the younger generation public. The social media engagement helps to connect and communicate with the current and potential customers, building the Circle K brand to be the most preferred convenience store brand in Vietnam. Intensive and innovative marketing initiatives are engaged to promote and stimulate the business, resulting in encouraging business results as evidenced by a strong comparable store sales growth. For corporate-culture development and employee engagement program, we continue to boost our CSL (Caring, Sharing and Learning) philosophy in order to inculcate the employee with senses of commitment and dedication to the Company. In the long run, we are confident that Circle K will be the most preferred convenience store brand in Vietnam, envisioning to become the "Neighbourhood Store" wherever with our presence.

The Group's investment portfolio did not perform satisfactorily for the period under review, resulting from the substantial downturn in the global stock markets in the third quarter of 2015. With the recent improvement in global stock markets in the fourth quarter of 2015, our high quality investment portfolio had seen some recuperation of the previous mark-to-market losses. As of 30th September, 2015, the Group had net cash and bank balances of HK\$209 million. With the strong balance sheet, the Group is well poised to pursue new business investment opportunities for long-term business development.

Moving ahead, the Group remains focus on the core rice business to maintain sustainable recurring earnings growth. The Group is devoted in developing the Circle K convenience store business in Vietnam and we are confident of its future prospect, which will provide a steady income stream for the Group. With the healthy cash flow generated from the core rice business, together with prudent financial discipline, the Group is well positioned to develop its business. We are confident about the Group's long term growth prospects.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK1.2 cents per share for the year ending 31st March, 2016 (2014/2015: HK1.2 cents per share) to the shareholders on the Register of Members of the Company at the close of business on Thursday, 24th December, 2015.

It is expected that the interim dividend will be paid to the shareholders on or about Wednesday, 13th January, 2016.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 18th December, 2015 to Thursday, 24th December, 2015, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17th December, 2015.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees for the Group is about 1,699.

Remuneration packages are reviewed by the Group from time to time. In addition to salary payments, other fringe benefits for the staff include retirement benefits schemes and medical insurance scheme, as well as quarters and housing allowances for certain staff. The Group has taken out personal accident insurance for senior staff and the staff who frequently travel overseas on business trips.

CORPORATE GOVERNANCE PRACTICES

The Company adopted all the code provisions in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Listing Rules as its own code on corporate governance. The Company has complied with the Code throughout the six months ended 30th September, 2015 except the following deviation:

Code provision E.1.2 of the Code stipulates that the Chairman of the Board should attend the annual general meeting. Mr. Alvin Leslie LAM Kwing Wai, the Chairman of the Board and the Nomination Committee, was unable to attend the annual general meeting held on 28th August, 2015 ("the Meeting") due to his other engagements. Mr. Laurent LAM Kwing Chee, the Vice Chairman of the Board, took the chair of the Meeting and other members of the Board (including the Chairmen and members of the Audit Committee and Remuneration Committee and members of the Nomination Committee) were present to answer questions from shareholders at the Meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. All Directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code throughout the review period.

AUDIT COMMITTEE

The audit committee comprising three Independent Non-executive Directors, Mr. Michael YU Tat Chi, Mr. Ronald YAN Mou Keung and Mr. Joseph LAM Yuen To, had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited financial statements of the Group for the six months ended 30th September, 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares for the six months ended 30th September, 2015.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the website of the Company (www.grdil.com). The 2015/2016 interim report will be dispatched to shareholders and will be published on the aforementioned websites in due course.

On behalf of the Board
Golden Resources Development International Limited
Alvin Leslie LAM Kwing Wai
Chairman

Hong Kong, 25th November, 2015

As at the date of this announcement, the executive directors of the Company are Mr. Alvin Leslie LAM Kwing Wai (Chairman), Mr. Laurent LAM Kwing Chee (Vice Chairman), Mr. Anthony LAM Sai Ho (Managing Director), Madam LAM Kit Woo, Madam LAM Sai Mann and Mr. TSANG Siu Hung. The independent non-executive directors of the Company are Mr. Michael YU Tat Chi, Mr. Ronald YAN Mou Keung and Mr. Joseph LAM Yuen To.